

## Index

### 1 EXECUTIVE SUMMARY

1.1	Introduction .....	5
1.2	The Shropshire Waste Partnership.....	6
1.3	PFI Funding for an integrated waste management contract .....	7
1.4	Bidding History .....	7
1.5	Changes since Outline Business Case.....	7
1.6	Value for Money .....	8
1.7	Affordability .....	9
1.8	Stakeholder Commitment and Support.....	10
1.9	Conclusion .....	10

### 2 PROJECT DEFINITION

2.1	Definition .....	12
2.2	Services to be delivered under the Contract.....	12
2.3	The Contract .....	12
2.4	Works and Services.....	13

### 3 STRATEGIC CONTEXT

3.1	Introduction .....	19
3.2	A Profile of Shropshire.....	19
3.3	Strategic Context .....	22
3.4	Analysis of Existing Service Provision .....	26
3.5	Bidding History .....	35
3.6	Update from the Outline Business Case.....	37
3.7	Infrastructure and Service Solution.....	41

### 4 STAKEHOLDER COMMITMENT

4.1	Introduction .....	46
4.2	Stakeholder Commitment .....	46
4.3	Stakeholder Consultation.....	47

### 5 VALUE FOR MONEY

5.1	Introduction .....	50
5.2	Value for Money at Outline Business Case .....	50
5.3	Procurement Level Assessment .....	52
5.4	Best Value and Continuous Improvement .....	64

## Index

### 6 AFFORDABILITY

6.1	Introduction .....	67
6.2	Calculation of the Budget Uplift Requirement .....	67
6.3	PFI Credit and Revenue Support Grant.....	68
6.4	Detailed Affordability Analysis .....	69
6.5	Confirmation of Affordability.....	72

### 7 CONTRACT

7.1	Introduction .....	73
7.2	Vires .....	73
7.3	Contracting Structure.....	73
7.4	Legal Documentation Summary .....	75

### 8 PAYMENT MECHANISM

8.1	Principles of the Payment Mechanism.....	92
8.2	Key Principles.....	92
8.3	Payment Mechanism Overview .....	93
8.4	Approach to Key Operational Risk Areas .....	94
8.5	Principles of the Performance and Unavailability Framework.....	97

### 9 STATUTORY PROCESSES

9.1	Summary .....	100
-----	---------------	-----

### 10 RISK ALLOCATION AND ACCOUNTING TREATMENT

10.1	Introduction .....	102
10.2	Authority's Opinion.....	102
10.3	Auditors' Opinion .....	103

### 11 CONTRACT MANAGEMENT AND MONITORING

11.1	Introduction .....	104
11.2	Resourcing .....	106
11.3	Benefits Monitoring Plan.....	109

## Index

### APPENDICES

- Appendix A Defra Final Business Case Checklist
- Appendix B Waste Assessment Criteria
- Appendix C Accounting Treatment Paper
- Appendix D Accounting Treatment Letter
- Appendix E SoPC4 Compliance Table
- Appendix F Project Agreement
- Appendix G Payment Mechanism
- Appendix H PFI Credit Calculation
- Appendix I Output Specification
- Appendix J Affordability Report
- Appendix K Risk Matrix
- Appendix L Planning Health Framework
- Appendix M OJEU Notice
- Appendix N Memorandum of Understanding